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FEDERAL ELECTION
COMMISSION MAIL ROOM

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PETER W. MILLER
EDGAR A. LEE
EDWARD W. HILL TOLLINCHÉ

November 8, 1999

*ALSO ADMITTED IN VIRGIN ISLANDS,
DISTRICT OF COLUMBIA & VIRGINIA
†ALSO ADMITTED IN OHIO

Mr. John R. Velasquez, Jr.
Ms. Alva E. Smith
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

RE: MUR 4934

Dear Mr. Velasquez and Ms. Smith:

We are writing as counsel of record for the Honorable Carlos Romero-Barceló, the Resident Commissioner for Puerto Rico and a Member of Congress, in response to the complaint filed by Anibal Acevedo Vilá (MUR 4934).¹ Congressman Romero-Barceló received your letter notifying him of the complaint on October 25, 1999. Mr. Acevedo Vilá's complaint relays a series of allegations against Congressman Romero-Barceló which are wholly without merit.

It is important first to put this complaint in proper context. The allegations amount to nothing more than unsubstantiated claims by a third party with a personal vendetta, brought to the Commission's attention by a political opponent of Congressman Romero-Barceló who is seeking to unseat him in the next election.

The complainant has no personal knowledge of any violation. Moreover, he relies solely on the statements of one individual, Andrés Sánchez Delgado, whose claims reflect only a vendetta against Dr. Carlos Rodríguez Mateo and certain members of the New Progressive Party. Mr. Sánchez Delgado has sued Dr. Rodríguez Mateo for sexual harassment and alleged wrongdoing by various government officials, including the Governor of Puerto Rico, the Attorney General of Puerto Rico, and Congressman Romero-Barceló. Mr. Sánchez Delgado's far-fetched claims cannot be confirmed by anyone and, in fact, are contradicted by all relevant parties. His allegations amount only to a desperate "scorched earth" effort to win damages in his lawsuit by embarrassing Dr. Rodríguez Mateo and the political leadership of Puerto Rico.

¹ A Statement of Designation of Counsel was submitted to the Commission by facsimile on November 4, 1999 (copy enclosed).

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Mr. John R. Velasquez, Jr.
Ms. Alva E. Smith
Office of General Counsel
Federal Election Commission
November 8, 1999
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The motives of the complainant, Mr. Acevedo Vilá, on the other hand, are even more obvious. He is a leader of the Popular Democratic Party in Puerto Rico and has long opposed the Governor and Congressman Romero-Barceló. Mr. Acevedo Vilá is currently running for the nomination of his party to challenge the Congressman in the next general election. The submission of this complaint amounts to no more than political opportunism and a shameful attempt to manipulate the Federal Election Commission into partisan politics.

The central allegation of the complaint is the suggestion that the Congressman received a contribution of \$175,000 from Dr. Rodríguez Mateo — in violation of the contribution limits of the Federal Election Campaign Act of 1971 ("FECA") — in order to secure the assistance of the Congressman in Dr. Rodríguez Mateo's purchase of a medical facility. Mr. Sánchez Delgado states that, on some date in August or September of 1998, he delivered \$175,000 in cash to Domingo García Camacho, the Congressman's District Director, at the request of Dr. Rodríguez Mateo.

This alleged contribution was never made.² Mr. García Camacho has submitted an affidavit in which he attests that he never received any such funds from Mr. Sánchez Delgado. See affidavit of Mr. Domingo García Camacho, Exhibit A. The supposed donor, Dr. Rodríguez Mateo, has also stated, under oath, that he never made the contribution.³ See affidavit of Dr. Carlos Rodríguez Mateo, Exhibit B. Moreover, both Congressman Romero-Barceló and his campaign treasurer at the time, Mr. Miguel J. Carbonell, deny that this contribution was received and deny any improper intervention in the sale of the medical facility.⁴ See affidavit of

² Nor is there any substantiation — save for Mr. Sánchez Delgado bald statement — that Dr. Rodríguez Mateo made a contribution to facilitate the purchase of a medical facility. See note 3 infra.

³ Dr. Rodríguez Mateo has made contributions to Congressman Romero-Barceló's campaigns. These contributions, which have not exceeded the FECA limits, have been duly disclosed in reports filed by the Congressman's campaign committee, Comité Eleccion de Carlos Romero-Barceló al Congreso, Inc. (FEC committee ID #C00307306).

⁴ Dr. Rodríguez Mateo's bid to purchase the facility was accepted by the government agency conducting the sale, the Government Development Bank. The President of the Bank at the time of the sale has stated that Dr. Rodríguez Mateo was awarded the contract because his bid, unlike two others of similar amounts, included a promise not to fire the facility's employees. The losing bidders have also stated publicly that the process was open and fair. See articles from the *San Juan Star*, Exhibit E.

INDIANO, WILLIAMS & WEINSTEIN-BACAL

Mr. John R. Velasquez, Jr.
Ms. Alva E. Smith
Office of General Counsel
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Congressman Carlos Romero-Barceló, Exhibit C, and affidavit of Mr. Miguel J. Carbonell, Exhibit D. In short, the money was not donated to Congressman Romero-Barceló by Dr. Rodríguez Mateo nor was it received by the Congressman, his campaign treasurer, or his District Director.

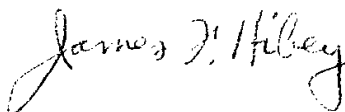
The complaint filed against Congressman Romero-Barceló is devoid of any merit. The credibility of the allegations contained in the complaint is nil. We respectfully urge that the Commission exercise its prosecutorial discretion and take no further action on this matter.

If we can provide any additional information, please do not hesitate to contact us.

Respectfully submitted,



David C. Indiano, Esq.



James F. Hibey, Esq.

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901 15th Street, N.W., Suite 700
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Enclosures

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4934

COUNSEL:

David C. Indiano, Esq.
Indiano, Williams & Weinstein-Bacal
Hato Rey Tower - Suite 2101
268 Muñoz Rivera Avenue
San Juan, Puerto Rico 00918
(787) 754-2323
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James F. Hibey, Esq.
Verner, Lipfert, Bernhard, McPherson
and Hand, Chartered
901 - 15th Street, N.W., Suite 700
Washington, D.C. 20005
(202) 371-6045
Fax: (202) 371-6279

The above-named individuals are hereby designated as my counsel and
are authorized to receive any notifications and other communications from the
Commission and to act on my behalf before the Commission.

11/4/99.
Date

Carlos Romero-Barceló
Signature

RESPONDENT: The Honorable Carlos Romero-Barceló

ADDRESS: P.O. Box 384351
San Juan, Puerto Rico 00938

TELEPHONE: (202) 225-2815 (Congressional Office)
(787) 723-6333 (District Office)

A

STATEMENT OF DOMÍNGO GARCÍA CAMACHO

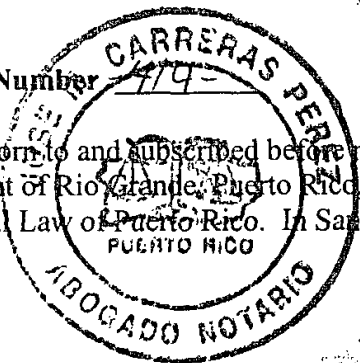
DOMINGO GARCIA CAMACHO, duly sworn, deposes and states as follows:

1. I have reviewed the declarations made by Andrés Sánchez Delgado which have been submitted by Aníbal Acevedo Vilá to the Federal Election Commission.
2. Since 1993, I have worked as Director of the District Office of the Resident Commissioner for Puerto Rico, Congressman Carlos Romero-Barceló.
3. I do not remember ever meeting Mr. Sánchez Delgado.
4. I have never received money or anything of value from Mr. Sánchez Delgado, in connection with the sale of the Center for Diagnosis and Treatment or for any other purpose, be it for myself or for any other person.
5. Specifically, I did not receive \$175,000 from Mr. Sánchez Delgado or from Dr. Carlos Rodriguez Mateo, at any time.
6. Neither I nor anyone on Congress Romero-Barceló's staff engaged in any activities other than routine constituent service in connection with Dr. Rodriguez Mateo's efforts to purchase the Center for Diagnosis and Treatment. The only inquiry made about the sale of the Center was a question about the timing of the sale process. This simple inquiry did not influence the decision of the Government Development Bank; nor was there any attempt to do so. Further, this comports with the mandates of the House Ethics Rules.
7. Mr. Sánchez Delgado's allegations of illegal campaign contributions are false.

For the record, I sign this Sworn Statement and declare that the foregoing is true and correct.

Executed on November 8, 1999

Affidavit Number



Domingo García Camacho
DOMINGO GARCÍA CAMACHO

Sworn to and subscribed before me by **Domingo Garcia Camacho**, of legal age, single, and resident of Rio Grande, Puerto Rico, whom I have identified in accordance with Article 17 of the Notarial Law of Puerto Rico. In San Juan, Puerto Rico, this 8th day of November, 1999.

José M. Carreras
NOTARY PUBLIC

1999-11-08 14:40:00

B

STATEMENT OF CARLOS RODRIGUEZ MATEO

I, Carlos Rodríguez Mateo, single, of legal age, medical doctor, and a resident of Salinas, Puerto Rico hereby declare as follows:

1. That my personal circumstances are the ones described above.
2. I have reviewed the declaration made by Andres Sánchez Delgado which have been submitted by Anibal Acevedo Vila to the Federal Election Commission.
3. I am a medical doctor and President of Med-Sur, Inc. and of Sur-Med, Inc.
4. I know Mr. Sánchez because he is a friend of my family. Starting on or about December of 1996, Mr. Sánchez began doing some work for me as an independent contractor, but was never hired as a regular employee. Accordingly, Mr. Sánchez on occasions would act as a messenger for which I would pay him for that particular task.
5. I never asked or ordered Mr. Sánchez Delgado to provide cash or anything of value to Domingo García Camacho.
6. I never asked or ordered Mr. Sánchez Delgado to provide cash or anything of value to Congressman Carlos Romero-Barceló.
7. The only contribution I have made to Congressman Romero-Barceló's campaigns have been within the contribution limits of the Federal Election Campaign Act and have been disclosed in reports filed by the Congressman's campaign committee.
8. I never sought any improper influence from Congressman Romero-Barceló in the course of my efforts to purchase the Center for Diagnosis and Treatment.
9. I understand that I won the bidding to purchase the Center for Diagnosis and Treatment because my offer included a commitment to save the jobs of facility employees and because it was the highest bid.
10. On October 5, 1999, Mr. Sánchez Delgado filed a lawsuit against me and has leveled a variety of charges against elected officials in Puerto Rico, including the Governor, the Attorney General, and Congressman Romero-Barceló. Those claims are entirely false.

2004-04-15 15:22

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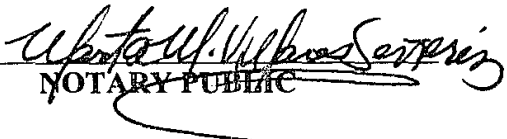
In San Juan, Puerto Rico, this 8th day of November, 1999.


CARLOS RODRIGUEZ MATEO

Affidavit Number 69

Sworn and signed before me by Carlos Rodríguez Mateo, of legal circumstances stated above, whom I know personally, in San Juan, Puerto Rico, on November 8, 1999.




NOTARY PUBLIC

2025-04-10 10:03

C

STATEMENT OF CARLOS ROMERO-BARCELÓ

CARLOS ROMERO-BARCELÓ, duly sworn, deposes and states as follows:

1. I have reviewed the declarations made by Andrés Sánchez Delgado which have been submitted by Aníbal Acevedo Vilá to the Federal Election Commission.
2. I am the Resident Commissioner for Puerto Rico and am a Member of Congress. I was elected to the position of Resident Commissioner in 1992 and previously served two terms as Governor.
3. I do not remember ever meeting Mr. Sánchez Delgado.
4. I never solicited or received cash or anything of value from Mr. Sánchez Delgado.
5. I never solicited or received cash or anything of value from Dr. Carlos Rodríguez Mateo in connection with his efforts to purchase the Center for Diagnosis and Treatment.
6. The only campaign contributions I have received from Dr. Rodríguez Mateo have been duly disclosed in reports filed by my campaign committee with the Federal Election Commission.
7. Mr. Sánchez Delgado's claim of an illegal campaign contribution is false.

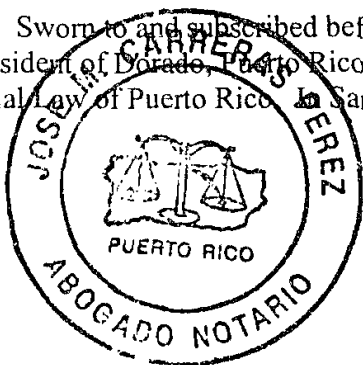
For the record, I sign this Sworn Statement and declare that the foregoing is true and correct.

Executed on November 8, 1999


CARLOS ROMERO-BARCELÓ

Affidavit Number -413-

Sworn to and subscribed before me by **Carlos Romero-Barceló**, of legal age, married, and resident of Dorado, Puerto Rico, whom I have identified in accordance with Article 17 of the Notarial Law of Puerto Rico, in San Juan, Puerto Rico, this 8th day of November, 1999.




NOTARY PUBLIC

D

STATEMENT OF MIGUEL J. CARBONELL

MIGUEL J. CARBONELL, duly sworn, deposes and states as follows:

1. I have reviewed the declarations made by Andrés Sánchez Delgado which have been submitted by Aníbal Acevedo Vilá to the Federal Election Commission.
2. I am an certified public accountant and served as the Treasurer of Congressman Carlos Romero-Barceló's campaign committee, Comité Eleccion de Carlos Romero-Barceló al Congreso, Inc. from November 6, 1997 until December 31, 1998.
3. In my position as Treasurer of Congressman Romero-Barceló's campaign committee, I prepared and filed periodic reports with the Federal Election Commission ("FEC") that detailed the receipts and disbursements of the committee.
4. During my tenure as Treasurer, Congressman Romero-Barceló's campaign committee did not receive any funds, directly or indirectly, from Mr. Sánchez Delgado.
5. During my tenure as Treasurer, Congressman Romero-Barceló's campaign committee did not receive any funds, directly or indirectly, from Dr. Carlos Rodríguez Mateo other than campaign contributions duly disclosed in the committee's FEC reports. These contributions did not exceed the limits of the Federal Election Campaign Act. Mr. Sánchez Delgado's allegations with regard to a supposed contribution of \$175,000 to Congressman Romero-Barceló's campaign are false.

For the record, I sign this Sworn Statement and declare that the foregoing is true and correct.

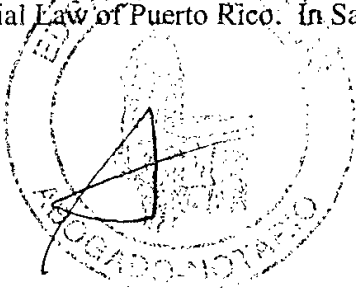
Executed on November 8, 1999.

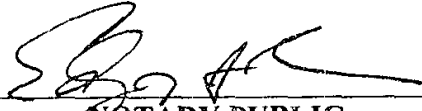


MIGUEL J. CARBONELL

Affidavit Number -328-

Sworn to and subscribed before me by **Miguel J. Carbonell**, of legal age, married, and resident of San Juan, Puerto Rico, whom I have identified in accordance with Article 17 of the Notarial Law of Puerto Rico. In San Juan, Puerto Rico, this 8th day of November, 1999.





NOTARY PUBLIC

Ex-GDB chief: CDT buyer won bid on vow not to fire workers

BY MARTY GERRARD TELFAR
ON THE STAR STAFF

Dr. Carlos Rodriguez Mateo won the bid last year to purchase the Diagnostic Treatment Center in Salinas, P.R., because he guaranteed not to fire any employees, former Government Development Bank President Marcos Rodriguez Ena said on Friday.

In an interview, Rodriguez Ena said that the three bids studied by the government's privatization committee for the Salinas CDT were not all that different in price.

"They were all at around \$1 million and differed between \$50,000 and \$100,000," Rodriguez Ena said, recalling from memory. The former GDB president was also the head of the privatization committee.

Rodriguez Mateo's MedSur group purchased the CDT from the government last year for \$1.16 million, with an additional \$100,000 commitment for improvements. The facility was appraised by Banco Popular de Puerto Rico, which provided financing for MedSur, at \$1.7 million at the time of purchase.

MedSur's bid proposal submitted by Dr. Pils Hospital of Tunes and another health group whose name Rodriguez Ena couldn't recall.

GDB officials have not responded to the STAR's repeated requests for information concerning the bid proposals and the price they were offering.

Rodriguez Ena, who now works for the private sector, said that the privatization committee decided to give Rodriguez Mateo's MedSur group the bid because it was the only offer the committee had to retain the health facility's employees.

Ricardo Hernandez, Dr. Pils Hospital president, did not return a phone call for comment.

Controversy over the sale of the CDT arose when the STAR first revealed on Sept. 18 a sworn statement given by a man who claims he was Rodriguez Mateo's driver and bodyguard alleging that he gave \$25,000 to top New Progressive Party officials in exchange for helping the physician win the bid.

The man, Andres Sanchez Trujillo, claims he paid money on behalf of Rodriguez Mateo to La Fortaleza Chief of Staff Angel Morey and Domingo Garcia, an aide to Resident Commissioner Carlos Romero Barrantes. Sanchez plans on using the statement for his annual harassment lawsuit against Rodriguez Mateo.

Sanchez claims he was in the vehicle when Rodriguez Mateo made a phone call to an unidentified person, telling the individual that the hospital deal was nearly closed.

However, Rodriguez Mateo told the person that the only problem was that they needed to give a \$150,000 donation for Gov. Rosello's election campaign, Sanchez said.

As for Rodriguez Ena, he told Rodriguez Mateo to give the money to Morey, according to Sanchez, who said he personally delivered the cash to the chief of staff outside a Condado restaurant.

Rodriguez Ena said he didn't want to comment on the statement, calling the charges "ridiculous."

Sanchez also alleges that he turned over \$175,000 in cash to Mateo's aide after Rodriguez Mateo threatened the resident commissioner for helping win the CDT contract.

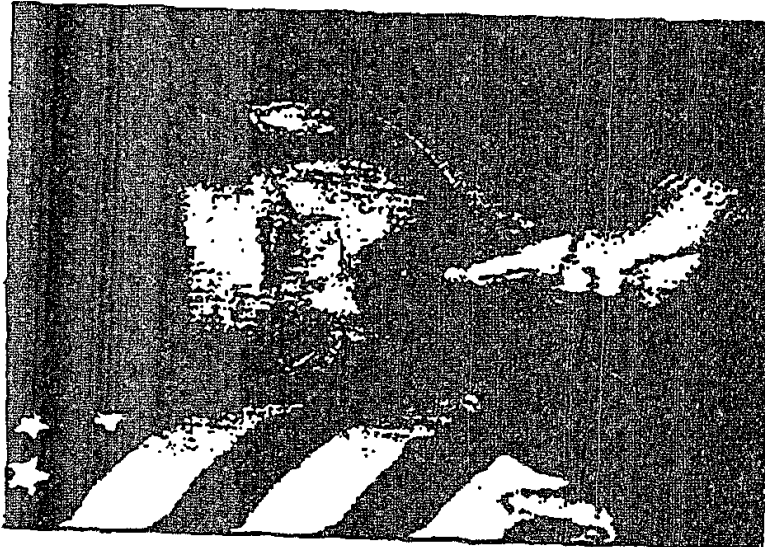
All parties accused denied the allegations.

But on Friday, Rosero acknowledged for the first time since the scandal broke that it wasn't unusual for his aides to make appointments for others who are interested in meeting with commissioners or officials. He said he doesn't remember ever speaking to Rodriguez Mateo about the Salinas CDT.

Denying the protest and saying no outside party intervened, Rodriguez Ena recalled that reporters and even some legislators attended the award ceremonies and meetings when the government began selling off the CDT in 1997.

He said the process was set up and approved by the Legislature.

On Thursday, Justice Secretary Jose Fuentes Aguirre



Carlos Rodriguez Ena

STAR photo

Ena said he would wait until the comptroller concludes his audit into how the CDTs have been sold before investigating the matter. Comptroller Manuel Diaz Roldan said he has received complaints from various individuals asking him to look into the situation.

According to a Standard & Poor's Sept. 21 report, the commonwealth has received \$108.1 million for the sale of 43 health facilities.

Ex-bidders for Salinas CDT call the process fair

By EVA LLORENS VELEZ
Of the STAR Staff

Former bidders in the purchase of the Salinas Diagnostic and Treatment Center dismissed charges of cronyism in the deal, saying Monday the process was "open and transparent."

The Government Development Bank put the CDTs in Salinas, Juana Díaz, Villalba and Coamo on the market late in 1997.

René Rivera, administrator of the San Cristóbal Hospital in Ponce, said his firm initially wanted to buy the Salinas CDT but withdrew its offer at the last minute after studies showed most of area's clients prefer Guayama's health services.

He said the process was "clean and open."

The other bidder, Dr. Pilá Hospital in Ponce, made an oral presentation in January 1998, but was told about two months later, in a letter from the GDB, that it had lost.

Dr. Pilá administrator Ricar-

do Hernández said his hospital, which offered \$1.05 million for the Salinas health clinic, likely lost the bid because it was unable to guarantee the retention of all employees.

The Salinas CDT was sold to MedSur in May 1998 for \$1.15 million with an additional \$100,000 commitment for improvements.

Allegations recently surfaced that MedSur's president, Dr. Carlos Rodríguez Mateo, funneled \$325,000 in cash to two top New Progressive Party officials in gratitude for their help in MedSur's acquisition of the clinic.

The officials, La Fortaleza Chief of Staff Angel Morey, and Domingo García, an aide to Resident Commissioner Carlos Romero Barceló, both deny the charges, which were contained in a sworn statement filed by a former bodyguard and driver for Rodríguez Mateo, who is running for mayor of Salinas.

Rival politicians have charged

the Salinas CDT was sold too cheaply. Yet Hernández said: "I believe it was fair. We were given the opportunity to show our proposal."

Dr. Pilá's 600-page proposal included offers for purchasing the CDTs in Juana Díaz, Coamo and Santa Isabel, which were also rejected.

Last week, former GDB President Marcos Rodríguez Ema, who headed the privatization committee, said he gave the bid to MedSur because it was the only offer the committee had that included retaining clinic employees.

Rivera, who said that his hospital group won bids to buy the CDTs in Juana Díaz and Villalba, said their proposal was examined by a 12-member committee of government officials.

He said their offers to invest about \$500,000 in improvements, establish information systems and retain all government employees contributed to their winning the other bids.

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